

JUNE 1977

MONTHLY REVIEW

AN INDEPENDENT SOCIALIST MAGAZINE

VOLUME 29

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BY A NATIONAL GUARDSMAN

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MONTHLY REVIEW: Published monthly except July and August, when bimonthly, and copyright © 1977, by Monthly Review, Inc. Second class postage paid at New York, N.Y.

EDITORIAL AND BUSINESS: 62 West 14th Street, New York, N.Y. 10011.
 Telephone: (212) 691-2555.
 Europe: R. Handyside, 21 Theobalds Road, London WC1X 8SL.
 Telephone: 01-242-3501. Giro Account No. 557 6350.
 MR Edizione Italiana: viale Oracio Flacco 15, Bari 70124.
 Telephone: 241919, 246157.
 MR Greek Edition, c/o Amfilios Dimopoulos, Kiou 3, Athens 807, Greece.
 MR German Edition, Mega Press, Postfach 402
 D-6078 Neu Isenburg / bei Frankfurt,
 Federal Republic of Germany.
 Revista Mensual / Monthly Review, Apartado de Correos 2760,
 Barcelona, Spain.
 Unsolicited manuscripts will not be returned unless accompanied by a stamped self-addressed envelope.

NEWSSTAND DISTRIBUTOR: B. De Boer, 188 High Street, Nutley, N.J.

SUBSCRIPTION PRICE: One year—\$11, U.S.; students \$9. \$13 foreign; students \$10. Institutions and libraries—U.S. \$16; foreign \$18.
 By 1st class mail—U.S. \$16; elsewhere \$19.
 By air mail—No. America \$18; So. America and Europe \$23.
 By air mail—Asia (incl. USSR), Africa, Australia \$25.

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NOTES FROM THE EDITORS

As we go to press, both editors are in Spain to take part in a three-day conference on imperialism at the University of Barcelona. The conference is timed to coincide with the publication of the first issue of a new Spanish-language edition of MR which contains the following announcement:

"We are happy to welcome into the MONTHLY REVIEW family this new Spanish-language edition under the title REVISTA MENSUAL/MONTHLY REVIEW. It joins the English edition (New York), the Italian edition (Rome), the Greek edition (Athens), and the German edition (Frankfurt).

"The bilingual title signals an innovation. The Spanish edition

(Continued on inside back cover)

IN DEFENSE OF THE ITALIAN CP

I

By Carl Marzani

From the inception of MONTHLY REVIEW, its analysis of any development has rested firmly on Marxist theory, the historical framework, and historical specificity—the facts and their context. Regrettably, your comments on “The New Revisionism” (June and November 1976) violate the last factor and seriously impair the analysis.

The June article runs to eleven pages: the first six cover the period from 1860 to 1917; the last four deal with Eurocommunism, particularly the Italian variety. On the intervening half-century there are only ephemeral and inferential allusions: six pages on pre-1917 Bolshevism vs. Social Democracy, not a sentence on thermonuclear weapons! There is little input from the fact of fascism, past and present, or from the fact that one third of the world is Communist. Is this historical analysis?

Carl Marzani was born in Italy and was the first to translate Gramsci into English. He is a veteran of the Spanish Civil War and served in the OSS during the Second World War. His only claim to fame, he says, is that he was the first U.S. political prisoner of the Cold War (three years) and while in prison wrote the first revisionist history of that conflict: *We Can Be Friends: The Origins of the Cold War* (1952), reprinted with an introduction by Professor Barton Bernstein in 1971 by Garland Publishers, New York.

You say “the traditional Communist parties in the core capitalist countries have in fact gone the way of the Social Democrats,” a conclusion you reach through an argument which, at best, is an analogy to what happened fifty years ago—an exiguous analogy at that. The Social Democrats wanted to *reform* capitalism, therefore the *preservation* of capitalism was inherent in their position. The Italian Communists, under totally different historical conditions, intend to *transform* capitalism into socialism; hence the *liquidation* of capitalism is inherent in their position. The question is how.

MR gives no answer to the question that Togliatti posed to Baran, and for which Baran had no answer: What would *you* do if you were in the leadership of the Italian party? The left groupings included in Democrazia Proletaria (whom I presume you would still consider revolutionary Marxists) have no strategic differences with the Italian CP, only tactical differences. Neither DP nor MR has any alternative strategic line. You say that the task is not to reform capitalism but to replace it. Agreed, but how? You admit that “no one in the advanced capitalist countries has yet come up with a satisfactory answer.” If such is the case, what makes you so certain that Togliatti, Berlinguer, & Co. are updated versions of Ebert, Blum, and MacDonald? The present line was adumbrated by Togliatti in 1946, and some elements go back to his work in the Seventh Congress of the Comintern (1935). The major influence in shaping that line has been resistance to fascism and neofascism (including the “external fascism” of the United States) rather than the postwar prosperity, as suggested by your article. The Italian line is the result of 60 years of major struggles and has been tested on Italian soil for the last three decades. It is currently worrying both Washington and the Vatican, while American Marxists are worrying only one another.

The MR analysis is not only deficient in specifics, but the specifics given are infirm—anemic in evidence and in logic. I take only one instance, central to the MR argument:

If the history of the last couple of decades — most recently and most dramatically in Chile — proves anything, it is that whatever constitutions may say, control over the repressive apparatus of the state is and remains in the hands of the established ruling class

unless and until it is wrested away by armed struggle. Since the CPs in question have not engaged in armed struggle and DO NOT PROPOSE TO,* there is no way they could get control of enough armed force to institute a dictatorial regime. The threat of a dictatorship as a way out of a serious crisis in fact comes not from the Communists but from the right. The Communists are fully aware of this and HAVE DRAWN THE LOGICAL CONCLUSION. If they can get into power they must do everything they can to prevent a crisis. If they do not succeed in preventing a crisis, they must be ready to be ejected from the government by normal constitutional means. To pursue any other course, given the assumptions on which they are operating, would be to invite a violent fascist counter-revolution. *This is precisely the lesson the Western European CPs have drawn from the Chilean experience.* (Emphasis in capitals is mine; emphasis in italics is in the original.)

The asterisk leads to a footnote which provides the evidence that CPs “do not propose” to engage in armed struggle. This is a statement to a *New York Times* correspondent by an *anonymous spokesman of the Spanish CP*, who said that Communists “have never, never been partisans of armed struggle.” Leaving aside the reliability of both the spokesman and the correspondent, the quote is irrelevant to the position of the *Italian CP*, a position which has been clearly stated by Berlinguer:

What is certain is that this general transformation [to socialism] we want to achieve in Italy by the democratic road needs both *force and consensus in all its phases*. The element of force must find expression in unceasing vigilance, in the combativeness of the working masses, in our determination in quickly thwarting maneuvers and attacks on freedom, democratic rights, and constitutional legality. . . . A far-reaching transformation of society requires consensus in a very specific sense: in Italy such a transformation can only come about as a revolution of the great majority of the people, and it is only on this condition that force and consensus complete one another. (“Reflections on Chile,” *The Italian Communists*, 1974. Italics added.)

It is clear that the Italian CP has not forsworn the use of force or armed struggle. What Berlinguer is saying is that the CP will not initiate the use of force nor, more importantly, will it allow anyone else to do so. The inference is clear that any attempt at the violent overthrow of an elected Communist government would be met by force. Berlinguer isn't worried

about being voted out of office. The Italian Communists have not been voted out of office in cities and provinces they have won—some going back 20 years. The political skills which enabled them to survive and grow in the worst periods of repression and Cold War have given the Communists confidence in their future. They know that neither the Spanish Republic nor the Allende government was voted out of office: the military coups in both countries took place because reaction doubted future success at the polls.

The logic of the MR passage is as dubious as its evidence. The logical conclusion of the Italian CP line is *not* that the Communists must make capitalism work and prevent a crisis. (Communists know this is not possible. Incidentally, how big must a crisis be to be a crisis? Italy has been in a crisis for well over a decade. This has been a major factor in the growth of the CP influence, and will probably be a major factor in their coming to power.) The line of the party has been to isolate the high bourgeoisie and to gain the support of the overwhelming majority of the population for those measures which will surmount the crisis by transforming the society in the direction of socialism. The operative phrase is “overwhelming majority”: the crucial problem is to organize and educate this overwhelming majority, including large sections of the professions, the civil service, and the middle class. This is the lesson drawn from Chile by the Italian CP, and this is the meaning of their statement that the left must take power with more than 51 percent of the votes. MR reports this statement in a footnote (italicized in the passage quoted) and then adds that “Bernstein could well have agreed,” implying that the statement is supportive of capitalism and is one more proof of reformism. It is, in my opinion, exactly the contrary.

The extent and composition of the majority is the key to the CP strategy of moving from capitalism to socialism; the tactics for achieving it form part of the differences between the CP and the left groups in Democrazia Proletaria. The left groups want to split the *left* wing of the Christian Democratic Party and bring it into a governing alliance; the CP wants to bring in the *center and the left*, probably forcing out the right wing. That is, the CP wants the Christian Democrats in the alliance

as a *party*, not a splinter. This is what is meant by “the historic compromise.” The CP wants to govern with the backing of 60-70 percent of the people, as compared to the 30-35 percent which backed the Allende government. Such a majority would give the government elbow room to try different measures, some of which in the short run might erode popular support. Most important, a government representing a large majority would give pause to counter-revolutionaries at home and abroad, and undermine reactionary control of the armed forces. The Italian army is a conscript army; the kind of majority the CP seeks would give the government overwhelming strength in the ranks, as well as dividing the officer corps.

The most fruitful analogy to the Italian situation is not with Kautsky or Bernstein or Chile—it is with the Spanish Republic of 1936. When the generals’ revolt took place, the navy remained loyal; the air force and army split. Had there been a firm government in July, and determination and unity on the left (had the anarchists not been so Hamletian), the revolt might have been scotched before the Moors, the Nazi Condor Legion, and Mussolini’s Blackshirt Divisions could intervene. The Italian Communists are probably as concerned with possible U.S. intervention as they are with their own neo-fascist generals.

Italian Communists have been closely attuned to the needs, aspirations, and levels of consciousness of the population. For example, they have steadfastly refused to make religion an issue or attack the Catholic Church—unlike the Portuguese Communist Party. I remember well in 1946 the rage of the liberals and ultra-leftists when Togliatti refused to attack the Concordat of 1924 between Mussolini and the Pope. Such betrayal! But the Communists had their priorities, and secularization of education was high on their list. This they accomplished. Today the Concordat is up for revision, supported by the center as well as the left.

The Italian CP strategy is directly related to the major point you make in your November comments, namely, Gilles Martinet’s siege analogy which you present as supporting your position. But that analogy can just as well be used to support the PCI strategy. The Italian Communists are not only dis-

integrating the walls of the capitalist fortress, they are making sure that *the breaches cannot be repaired*. They are undermining precisely those conditions that Martinet finds so important: "force of habit, respect for established hierarchy, the influence of traditional ideas."

The tie-up between Martinet's ideas and the May 1968 events in France also works *against* your position. For Martinet focuses on a revolutionary situation and there was no such situation in May 1968, as you agree. The best analysis of the May events is Alain Touraine's book, *The May Movement*, where he shows clearly that what resulted from the students' and workers' demonstration and strikes was a *political crisis*, not a *revolutionary situation*. The De Gaulle Government could have been brought down constitutionally and the army and police remained neutral, *provided* that no attempt was made to overthrow the system. Any such attempt would have strengthened De Gaulle. The difference between a political crisis, which is the inability of a *party* to govern, and a revolutionary situation, which entails the inability of a *ruling class* to govern, has long been an accepted element of Marxist analysis. Your footnote that "it may be less likely to mislead if we speak of sudden and profound crises rather than revolutionary situations" is, I fear, a bit of Marxist revisionism which would horrify our Italian comrades.

The Italian Communists are not following a strategy of passive electoral games. They are using their power in the legislature to expose reaction, including forcing through a parliamentary committee charges of Lockheed bribery against an ex-Prime Minister, two ex-Defense Ministers and General Fanali, ex-Chief of Staff of the Air Force. The CP is organizing in every stratum of the population, fostering associations of all kinds, raising the political consciousness of the nation. The Communists have established a cultural hegemony in Italy based on Marxism, humanism, and science. They have accomplished this in the teeth of Church opposition. Most important, the Communists have used their control of municipal and provincial governments to train a large and growing number of cadres in the administration of governmental and economic affairs.

The historical significance of this last factor cannot be overestimated. It may, indeed, turn out to be the most crucial factor in the Italian transformation from capitalism to socialism. It has been a factor consistently underrated in revolutionary history and experience. The Bolsheviks took power with pitifully few cadres, who were further decimated by the civil war and, later, the allied intervention. By 1924, when Vladivostok was finally evacuated, some 80 percent of all administrators were former Tsarist bureaucrats. They were a far from negligible source of Stalin's strength. The Chinese Revolution was far better equipped for governing, having had experience in running large areas and a large army. Even so, they had governed or administered no large cities and perhaps only 10 percent of the population. The Italian Communists will be the first group to govern with an abundance of trained personnel at all levels.

MR's editors may believe that the Italian CP has sold out to capitalism, that it has become the same kind of party as the British Labor Party. They say this more in sorrow than in anger: "One no longer castigates the Social Democrats for betraying Marxism—you cannot betray what is foreign to you—and it is high time the revisionist/reformist CPs were put in the same category." This is a harsh judgment on Togliatti and his colleagues, a judgment which many Marxists, as committed to socialism as MR, do not accept. U.S. Marxists, of whatever denomination, have learned a good deal from the writings and the experiences of Lenin, Mao, Castro, Tito, and others. So have Togliatti and his co-workers. They have also learned from their own experience and tradition (the tradition of Gramsci) and have survived Mussolini's prisons, Nazi occupation, Scelba's motorized goons, and CIA manipulations. They are not stupid, inept, or corrupt. They are our comrades.

Italy, as a society, is more akin to the United States than are Russia, China, or Cuba. It would seem, therefore, that there is something to be learned from their experiences. In any case, a little diffidence in passing judgment might not be inappropriate. History, said Lenin, is tricky.

P.S. I had intended to give an alternative analysis on the Italian

situation, its history and problematics, but something close to my views has been written by David Plotke in *Socialist Revolution* (#31, January 1977). I refer interested readers to it.

II

By Max Gordon

Nearly 140 years after *The Communist Manifesto*, and 60 years after the Russian Revolution, no developed industrial nation has yet made the transition to socialism by whatever means. At least as far as public awareness is concerned, the closest to it at this point would appear to be Italy—chiefly as a consequence of the dramatic increase in the electoral vote and political weight of the Italian Communist Party (PCI).

In view of capitalism's persistence in advanced industrial nations, the problem discussed in the June and November 1976 MR editorials—how socialism will come about in these nations under current conditions—is obviously central to the concern of revolutionary socialists. The editorials have a specific importance for American socialists since there is no significant socialist movement in the United States, and in my view the kind of thinking contained in them seriously hampers the emergence of such a movement.

The MR editors argue that the recent theoretical changes in the outlook of major Communist parties throughout the capitalist world, which they ascribe to a drive for votes, repeat the revisionist process experienced by the European Social Democratic parties before the First World War. Hence these Communist parties have lost their revolutionary Marxist character,

Max Gordon, a former editor of the *Daily Worker*, is now a freelance editor and writer.

making necessary the reconstitution of revolutionary Marxism on a solid foundation. According to the June editorial, the source of this revisionism is the "irresistible" propulsion toward a strategy of leading workers in day-to-day struggle for economic gain and social reform within the existing system. West European Communists have thus changed their political image in order to bid for a share of electoral power via the electoral process. Since this still leaves open the question of how the transition will take place, the November editorial undertakes to describe under what conditions one could envisage a seizure of power by a revolutionary party in the modern capitalist world.

Before going into the substance of the argument, a couple of general observations are in order. First, the source of the theoretical changes under discussion is rather more profound than a desire to gain votes and share governmental power. They are the result of an evolutionary process that began 20 years ago in the PCI and has been operating in varying ways and degrees in the French, Spanish, Japanese, British, Australian, and several other parties. These parties have been motivated by the need to envisage a transition to socialism in conditions other than those in the Russia of 1917 (which Lenin later admitted were historically exceptional and not likely to be repeated), and to shape their respective courses on the basis of the material realities in their own countries. In 1957 the American Communist Party independently adopted several of the same innovative policies as the PCI, and this party was certainly not motivated by a desire to win a share of governmental power. For reasons irrelevant here, the decisions of the American party were reversed—a fact which is not irrelevant, however, to its present isolation. Involved, then, is the development of revolutionary theory which undertakes to break with dogma, and which is instructed by historic experience that certain cherished theories were wrong and others outmoded by social change.

Second, in the view of the MR editors, the "reformism" of the German SPD and current "Eurocommunism" (the name tends to overlook the Japanese and Australian parties) has its source in the bureaucratic stake which both have acquired in the system through unions and public agencies under their

control. The argument is examined below. Here I would observe that the editorials are based on abstract reasoning, without apparent examination of the actual outlook, program, and practices of the parties under discussion. A footnote explains, for instance, that the editors learned from a recent Chilean visitor to Rome that the PCI considers 51 percent support insufficient for moving to transform the system. The PCI has been widely proclaiming this ever since the destruction of the Allende government; it is an integral part of its outlook.

The editors argue that regardless of their ideology, both the early Social Democrats and the modern Communists are "irresistibly propelled toward a strategy of representing and leading the workers in their struggles for economic gains and social reforms within the framework of the existing system." The phraseology is curious. The idea that a Marxist party must somehow be "propelled" toward a strategy of organizing and leading workers for immediate demands within the system implies that there can be such a thing as a Marxist party without such a strategy, that for Marxists the struggle for immediate demands is extrinsic to the revolutionary process. Similarly, a footnote states that in repudiating *reformism* the editors do not call into question "the necessity and desirability of struggle for *reforms* in the interests of workers and other victims of capitalist exploitation and oppression." The struggle for reforms is thus described explicitly as directed at alleviating the effects of capitalist exploitation and oppression, unrelated to the revolutionary process.

The editors go on to say, properly, that the most crucial problem of socialist movements in advanced capitalist countries has been how to struggle for reforms without falling into the morass of reformism, and how to keep clear of reformism without sliding into sectarian isolation. Both of these perils flow from the separation of the struggle for reforms from the struggle for socialism. The reformist seeks reforms in isolation from any coherent strategy for the attainment of socialism, and the sectarian attempts to struggle for socialism while rejecting as "reformism" the struggle for reforms.

The essential difference between the reformist and the sectarian on the one hand and the Marxist revolutionary on the

other is that the latter views the struggle for reforms as an inherent part of revolutionary strategy leading to socialism, whether the culmination of the process is peaceful or violent revolution. This has been the essence of Marxist strategy since the *Manifesto* declared: "The Communists fight for the attainment of the immediate aims, for the enforcement of the momentary interests of the working class," but they have the advantage of understanding "the line of march, the conditions, and the ultimate general results of the proletarian movement."

It is of course possible—perhaps even inevitable—that at one or another point any revolutionary socialist party will lose sight of the socialist goal or fall into the sectarian trap. But any charge of reformism against, say, the PCI, must demonstrate that it has in fact given up its socialist goal rather than having undertaken to pursue it in new ways conforming to the objective and subjective realities confronting it. The charge cannot be made on the basis of an abstract historic parallel. The sectarian thesis, which the MR editors appear to share, that revisionism means adoption of a strategy based on peaceful transition makes Marx and Engels the original reformists, as I will note.

In an exchange between Togliatti and Paul Baran, referred to in both editorials, Togliatti responded to Baran's skepticism about the compatibility of the PCI's tactics with Marxist-Leninist theory by asking what Baran would do if he were responsible for a mass party which the workers expected to represent their interests in the "here and now." Baran "admitted that he had no satisfactory answer." The editors comment that this is not to Baran's discredit since the "issues are too difficult and complicated." But these issues are at the heart of the present discussion and the editors have attempted to give a definitive answer—consign the Communist parties to the scrap heap of "denatured Marxism" and start a new revolutionary party.

But if a revolutionary Marxist party is by its very nature "irresistibly propelled" to fight for the demands of the working class in the "here and now"; and if in order to gain the adherence of the working class it must do so effectively, thereby contributing to shoring up the system with reforms (as long as

capitalism has the reserves required to make the concessions for which the people are prepared to fight); and if in the defense of working-class interests it effectively builds unions and wins electoral victories, giving it a share of national power and government control in many localities; if all this is an irresistible process, as the MR editors suggest, how will a new revolutionary party escape this fate?

Will it refuse to fight for the interests of the workers in the here and now? If so, how will it gain the necessary leadership and confidence of the working class? Will it refuse to build unions or participate in elections? Marx, Engels, and Lenin all had some pungent things to say about the absurdity of such a sectarian position. Will it refuse to elect people if it participates in elections, or to have them serve if elected? It would be a laughing stock. Or do the MR editors envision an endless process of parties initially revolutionary, becoming "reformist," and being replaced by new revolutionary parties which go through the same process? Since the American political scene is already dotted with "Marxist-Leninist" parties which have been strikingly effective in avoiding the "reformist" perils involved in attracting working-class support, does the MR proposal for reconstitution of revolutionary Marxism apply only to the countries afflicted by Eurocommunism?

The editors do raise a specific issue concerning the PCI, to wit, its policy of seeking to prevent Italy from falling into economic chaos as a result of the present crisis. The revolutionary alternative, they suggest, is to permit the descent into chaos, thereby providing the revolutionary crisis which will allow the PCI to seize power. The PCI's position is that in case of economic chaos, the actual beneficiary today would be fascism, which can still count on major sections of the armed forces and other entrenched elements in Italian life, abetted by some very powerful elements outside of Italy.

The PCI appears to prefer Lenin's method of assessing situations to that of the MR editors. Tactics, Lenin warned, "must be based on a strictly objective estimation of *all* the class forces in a given state (and in neighboring states, and in all the states the world over) as well as the experiences of revolutionary movements." The PCI also considers that recent revo-

lutionary experience has confirmed the judgments of Marx, Engels, and Lenin that in the modern world, in Engels' words, "the time . . . of revolutions carried through by small conscious minorities at the head of unconscious masses is past." It also considers that an objective estimation of "all the class forces"—national and international—requires that it have overwhelming popular support for restructuring Italian society and that it can win this support with its present program and course. Its judgment on this score must be weighed against that of American revolutionary critics who have so successfully avoided the pitfalls of reformism.

In attacking as revisionist the strategies of Eurocommunism, the MR editors quote a passage from an 1879 circular letter by Marx and Engels critical of the German SPD's renunciation, in the Gotha Program, of all future efforts to take advantage of a "violent external event" in favor of the "road of legality." This is presumably offered as Marx's and Engels' judgment of the path to socialist transition in advanced capitalist countries, and it is used by them as basis for speculation that the Paris uprisings of 1968 would have provided the "violent external event" needed for a "profound transformation of the French political scene."

In historic context, the cited passage demonstrates something rather different. Marx and Engels defined the "violent external event" they had in mind as a possible uprising of the masses to complete the bourgeois democratic revolution in Germany, which they urged should be joined by the SPD so as to transform it into proletarian revolution. Elsewhere Marx sharply distinguished semi-absolutist Germany from other West European nations, declaring that socialism could be achieved through the democratic process in countries like England, America, and Holland. In 1891 Engels, in his critique of the Erfurt Program, declared that in England, France, and America, legislatures could do what they liked as long as they had majority support, but not in semi-absolutist Germany.

Four years later, Bismarck's anti-Socialist laws had been repealed and Germany joined the other democracies. In his striking 1895 preface to Marx's *Class Struggles in France*, Engels wrote that in fact the German SPD was now teaching the rest

of the European working class how to use most effectively the "new weapon" of universal suffrage as an "instrument of emancipation." Since Engels' last major article deals in detail with issues raised in this discussion, its salient points are worth summarizing in staccato fashion. Engels wrote that: (1) Marx and he had been wrong in expecting proletarian uprisings after the bourgeois revolutions of 1848; (2) they had erred in not taking into account the capacity of capitalism to continue technological expansion; (3) they had also failed to take into account advances in military technology, in transportation and communication, in the growth of the middle classes, all of which virtually ruled out resort to street fighting; (4) the German SPD's use of universal suffrage, through which its vote rose in 1893 to more than a quarter of the total and which gave it governance of many localities, should serve as model for the other European socialist parties; (5) if it continued "in this fashion" it would soon win the support of middle class and peasantry to become "the decisive power in the land"; (6) the German bourgeoisie had become more fearful of the legal activity of the working class than of the illegal; (7) the greatest danger thus was that the bourgeoisie would try to provoke the working class into violent action so as to suppress it before its growth became unmanageable (it was essential that the working class be "not so crazy" as to allow itself to be provoked into uprisings); (8) socialists must realize that no lasting victory is possible for them "unless they first win the great masses of the people," which they can do through proper use of the franchise; (9) the SPD is now the party of legality, but the bourgeoisie may become the party of illegality by trying to return to absolutism, dictatorship (if it does so, the working class is no longer bound by legality); (10) with respect to transition, Engels called attention to the way the Christians overwhelmed the Roman Empire by the sheer weight of converted numbers, until the Emperor Constantine himself became a Christian.

Engels' day was not ours and a cardinal principle of Eurocommunism is that policy and practice must be based on the realities of time and place, as required by Marxist methodology. But three things are worth noting concerning this preface:

first, that contrary to the speculation of the MR editors, it is likely that Engels would have suggested to the French students and workers of May 1968 that they avoid provoking the armed forces of the bourgeoisie into crushing the working-class movement by premature efforts to seize power; second, that much of what Engels wrote does presage the thinking of Eurocommunism; and third, that the great seminal thinkers of revolutionary socialism were fully aware that the world was changing even as they wrote, and they revised their outlook accordingly. Engels' final statement makes it clear that there is no basis in Marxism for the idea that peaceful transition via the electoral process in the modern capitalist world equals "revisionism" or "reformism."

THE EDITORS REPLY

Just to keep the record straight, let us say at the outset that our view of Eurocommunism, and especially its Italian version, is by no means entirely critical. The popular swing to the left in Italy, France, and Spain is of course to be welcomed. The recognition that the Soviet Union is not, as it was in the first years after the Russian Revolution, a pole of attraction for the working classes of the developed European capitalist countries is long overdue. And the treatment of democratic rights and liberties as something the working class has had to struggle for and cares about rather than as a mere cover for capitalist interests works to correct a long-standing and all-too-widespread misinterpretation of the historical significance of the socialist movement. But our appreciation of these positive aspects of Eurocommunism should not lead us to neglect analysis of its theories or to underestimate the seriousness of the problems it is seeking ways to cope with.

Carl Marzani chides us for drawing a false analogy between the pre-First World War Social Democrats and the Italian Communists:

The Social Democrats wanted to *reform* capitalism, therefore the *preservation* of capitalism was inherent in their position. The Italian Communists, under totally different historical conditions,

intend to *transform* capitalism into socialism; hence the *liquidation* of capitalism is inherent in their position. The question is how.

This is neat, but unfortunately it reveals a basic misunderstanding of classical Social Democratic (and British Labor Party) theory. Their stated program and claimed intention was *not* to reform capitalism as capitalism but to cumulate reforms to the point where capitalism turns into socialism. At least verbally, the liquidation of capitalism was just as much inherent in their position as it is in that of the PCI. Marzani is certainly right that the historical conditions are different, but neither he nor the PCI presents any reason for believing that the project of liquidating capitalism through reforms is any more feasible today than it was in the heyday of social democracy. And an actual examination of the conditions then and now cannot but lead to the conclusion that in fact it has become a lot *less* feasible. The bureaucratic-military structure of the bourgeois state has grown enormously. All the arguments marshalled by Lenin in *State and Revolution* against the revisionists of his day—arguments which added up to a vigorous restatement and reaffirmation of the theory of the state found in the writings of Marx and Engels—are *more* persuasive now than they were sixty years ago. In our opinion it simply will not do for people who consider themselves to be Marxists, as Marzani certainly does, to sweep all this under the rug under the pretext of changed historical conditions. The hallmark of revisionism in Lenin's day was silent repudiation of Marx and Engels' writings on the state; the hallmark of today's Eurocommunist version of revisionism is equally silent repudiation of Lenin's *State and Revolution*.

For us this is the real heart of the matter: all the rest is secondary or derivative. We do not quarrel with the proposition that nothing that Marx or Engels or Lenin said is sacrosanct. Conditions change, and theories must change too. But if you are a Marxist, you must agree that there are some principles, doctrines, teachings, which have basically conditioned our understanding of the world, which have stood the test of time, and which are not to be discarded lightly. For us at any rate the theory of the state propounded by Marx and Engels and elaborated and defended by Lenin falls in that

category. If you want to throw it out, be prepared to give your reasons for doing so—and they had better be good reasons. If you can't find good reasons, then don't throw it out—or stop claiming to be a Marxist.

For the rest, Marzani's argument seems to be that if the PCI gets into the government backed by a large majority—as distinct from the bare majority at best (April 1971) enjoyed by the Unidad Popular government in Chile—it can move in the direction of socialism without provoking a rightist coup, or with the assurance of being able to defeat such a coup if it is attempted. There are two cases here: (1) The PCI is in the government as part of a coalition with the Christian Democrats. In this case the majority means little and can disintegrate overnight, certainly as the result of an attempt by the PCI to go ahead with a program the Christian Democrats do not approve of. (2) Or the PCI has the big majority on its own (or in coalition with the Socialists). In this case, will it not be just as vulnerable as the Chilean UP was to the tactics which brought down the Allende government? If not, why not? Will the PCI have more success than Allende did in remaking the state apparatus, especially the army and the police?

One possible answer is suggested by Marzani when he notes that the Italian Communists "have used their control of municipal and provincial governments to train a large and growing number of cadres in the administration of governmental and economic affairs." The historical significance of this, he thinks, "cannot be overestimated": "It may, indeed, turn out to be the most crucial factor in the Italian transformation from capitalism to socialism. It has been a factor consistently underrated in revolutionary history and experience." One can easily imagine the old Social Democrats making a similar argument. After all, they controlled many municipal governments, and in Weimar Germany they even controlled the government of Prussia, by far the country's largest state. But what their cadres learned was to run, usually more efficiently and humanely than their conservative counterparts, regional and local governments in a *capitalist* society. This is what the PCI cadres have learned too. It is hard to see the relevance in either case to "revolutionary history and experience."

Another answer might be that Italy is not Chile; that the problems which would face a PCI (or PCI-Socialist) government in Italy are not the same as those which faced a poor, underdeveloped, and dependent country like Chile; and that at least on the economic level Italy would be able to pursue socialist solutions without fear of being blocked and derailed by outside intervention. Marzani even goes so far as to suggest that solving these problems will provide the PCI with a valuable opportunity to strengthen its position. Here is the way he puts the case:

The logical conclusion of the Italian CP line is *not* that the Communists must make capitalism work and prevent a crisis. (Communists know this is not possible. Incidentally, how big must a crisis be to be a crisis? Italy has been in a crisis for well over a decade. This has been a major factor in the growth of the CP influence, and will probably be a major factor in their coming to power.) The line of the party has been to isolate the high bourgeoisie and to gain the support of the overwhelming majority of the population for those measures which will surmount the crisis by transforming the society in the direction of socialism.

Sure, Italy has been in a crisis for over a decade, but perhaps not quite a big enough crisis to be a real crisis. In any case the crucial question is how big a crisis it is getting into now, and whether it is the kind of crisis that will lend itself to socialist solutions which can be expected to strengthen the political position of the government putting them into effect.

To answer this we need a bit of perspective on recent Italian history and on the international situation the country now finds itself enmeshed in. Italy was of course one of capitalism's widely advertised economic "miracles" of the post-Second World War period. The secret of this success story was the development of a strong export sector, embracing for the most part modern relatively high-technology industries. The main market was the advanced European countries which joined together in the Common Market in the mid-1950s. With ready access to a large free-trade zone, relatively low labor costs, and a smoothly functioning international financial system (as long as the Bretton Woods arrangements lasted), Italy provided the very model of an export-led growth economy. The other

side of the coin was a big expansion of imports, especially raw materials and foodstuffs, the relative decline of many industries producing for domestic consumption, and the absolute impoverishment of large regions (mostly in the already underdeveloped agricultural South).*

That such an economy, like any other crucially dependent on international trade, has many vulnerabilities would probably be generally agreed. Those which seem most important in the present context are (1) a rise in the costs of exports, making them less competitive in foreign markets, (2) a decline in foreign demand for exported products, and (3) a holding up, or even increase, in the domestic demand for imports. Any combination of adverse movements under one or more of these three headings will tend to throw the balance of payments into disequilibrium, induce a depreciation of the country's currency, and accelerate domestic inflation. To check these potentially disruptive developments, the authorities' first recourse is to borrow from international financial sources, always in the hope of course that things will soon improve and allow a return to the *status quo ante*.

How has it been in the Italian case? The militancy of the Italian workers, beginning in the early 1960s and increasing throughout the decade, resulted in a sharp increase in real wages, hence a rise in the costs of exports. At the same time and for the same reason the demand for certain kinds of imports, especially food, expanded. Then in the 1970s came the world recession, hitting hard the demand for Italian exports and stimulating a new wave of protectionism, often disguised but no less real, even within the Common Market itself. The Italian balance of payments was knocked into a cocked hat; the lira depreciated; domestic inflation rapidly mounted to over 20 percent in 1975-1976; and the whole process was exacerbated by a massive flight of Italian capital to safer havens abroad. Italy, low man along with Britain on the totem pole of the exclusive club of rich capitalist countries, dutifully went, hat in hand,

* For an excellent description and analysis of the postwar Italian economic "model," see Joanne Barkan Proctor and Robert Proctor, "Capitalist Development, Class Struggle, and Crisis in Italy, 1945-1975" (MR, January 1976).

to the dispensers of international credits—the Germans, the Common Market, the IMF, and most recently the so-called Group of Ten (*New York Times*, April 17), which includes the United States and Japan as well as the richer European countries. Predictably, and increasingly, the lenders have insisted that as a *quid pro quo* Italy must, in the words of the *Times* article of April 17th, “put its financial affairs in better order.” This of course is a euphemism for cutting real wages and social services, with the ostensible purpose of setting in train a reverse movement (cheaper exports, repressed domestic demand, improved balance of payments, lower rate of inflation, return flow of capital from abroad, etc.).

The trouble with this program—apart from its typically capitalist bias toward putting all the burden of any adjustments on those least able to bear it—is that it flies in the face of the new reality of a whole capitalist world in *lasting* crisis.* The very idea of restoring Italy to economic health through a return to the export-oriented model of the 1950s and 1960s is a profound anachronism. The Common Market countries are saturated with the kind of products Italy specializes in exporting (or with the capacity to produce them); demand stagnates, unemployment grows; many of the Europe-based multinationals are shifting production to Third World countries with much lower labor costs than Italy’s. An era of European economic history has ended, and another is opening. To seek to go back to the past now is simply to guarantee retrogression and deepening misery for the great mass of the people.

The PCI knows this. In a recent interview with a visiting delegation of the Veterans of the Abraham Lincoln Brigade, Sergio Segre, head of the International Relations Office of the Central Committee of the PCI, put the point with admirable clarity:

The problem in Italy is not just to set back up the old system,

* This theme obviously cannot be developed here, though it is central to our whole argument. We must be content to refer readers to a long series of editorial articles which have appeared in this space during the last few years, and which Monthly Review Press will publish in book form later this year under the title *The End of Prosperity*.

accepting the idea of sacrifices in order to put things back the way they were. The problem instead is one of building a new type of society which will require sacrifices and these sacrifices will require a very broad consensus among [the] population with the objective—the goal—of building a new type of society.*

A member of the VALB delegation then asked Segre: "How do you visualize the building of a socialist society, recognizing that there are contradictions between capitalists and workers? Could you conceive of capitalists agreeing with what you mean by the new society?" In dealing with this question, which was linked to another about the danger of right-opportunism within the party, Segre talked a lot and touched on quite a few subjects. But he never gave anything approaching an answer.

You can of course make of this whatever you like. For our part we prefer what seems to us the simplest and most logical explanation. The PCI has no answer and in the nature of the case can have no answer. There is an irreconcilable contradiction between building a new society and achieving the broad consensus which Segre talks about and which, he repeatedly emphasizes elsewhere in the interview, is to include Communists, Socialists, and Christian Democrats. The Christian Democratic Party is par excellence the party of the Italian bourgeoisie; it is interested in preserving the old society, not in building a new one; in any coalition with the slightest chance of survival it will have an absolute veto power over "new society" projects.

If this analysis is correct, only one conclusion is possible: the real purpose of the PCI, however carefully it may be hidden (even from itself), is to gain a share of governmental power to help steer Italian capitalism through its present time of troubles while at the same time preserving more or less intact the existing institutional structure of the society. This is a role which the Social Democrats have played in the past, most notably in Britain in 1931 when Ramsay MacDonald, under intense international financial pressure, gave in and formed a

* The interview is published by the Veterans of the Abraham Lincoln Brigade. Copies may be obtained by writing to John Rossen, 5715 S. Blackstone, Chicago, Ill. 60637. Small contributions to help cover the costs of printing and mailing are requested.

National Government with the Tories; and again during the Second World War when the Labor Party entered a National Government at the invitation of Winston Churchill. What the PCI is in effect proposing, and the Christian Democrats are still resisting, is the formation of a National Government in Italy.

We are not prepared to condemn this course outright. It may be the best the Italian left—or any other European left for that matter—can hope for in the present historical stage. It is obviously preferable to a new fascism, or to a brutal authoritarian-military regime on the South American model. And it cannot be denied that PCI participation in the government might bring certain (relative) benefits to the Italian masses, just as Labor participation in the Second World War coalition government undoubtedly did for the British masses.

What we do object to, however, is the pretense that all this has anything to do with revolution, building a new society, the transition to socialism. Socialism may not be on the agenda in the advanced capitalist world now or for a long time to come. This is one of the arguments advanced by Samir Amin in the important article which appears elsewhere in this issue of MR (see pp. 25-41 below). If so, the implications of that fact need to be fully discussed and appropriate conclusions drawn. But even if it is so, it certainly does not mean that socialism will *never* be on the agenda in the advanced capitalist countries (which may not be so advanced by that time), still less that we are justified in throwing overboard the tried and true principles of Marxism and putting in their place a new version of the intellectual fraud that revisionism has always been.

Let us conclude, in this connection, with a few words about Max Gordon's attempt to enlist Marx and Engels (and, much more obliquely, Lenin) in the ranks of precursors of Eurocommunism. He disputes our interpretation of Marx and Engels' 1879 Circular Letter (MR, November 1976, pp. 8-9) as indicating a belief on their part that at some time in the future a "violent external event" might be capable of triggering a revolutionary upsurge and a possible victory for the people. According to Gordon, Marx and Engels "defined the 'violent external event' they had in mind as a possible uprising of the

masses to complete the bourgeois democratic revolution in Germany.” His implication seems to be that that particular event happened a long time before and in any case referred only to Germany, hence it makes no sense to draw any general inferences about violent external events and revolutionary possibilities. If you read the passage in question, however, you will see at once that they were offering the 1848 uprising in Berlin only as an example from history and that they had no intention at all to deny the possible future relevance of violent external events to revolutionary thought and practice in general. The point, it seems to us, is worth thinking about, especially in the conditions that exist a hundred years later—Max Gordon to the contrary notwithstanding.

But his major piece of evidence is Engels’ 1895 Introduction to Marx’s *Class Struggles in France*. And here, interestingly enough, Gordon uses the Introduction in exactly the same way that the leadership of the SPD did at the time, to portray Engels as a total convert to legal means of struggle. If he had done a little more research, Gordon would have learned (and surely candor would have moved him to tell his readers?) that Engels was outraged by the treatment his Introduction received at the hands of the SPD leadership. Here are excerpts from three letters written in March and early April 1895 (Engels died four months later, on August 5th). Let readers judge for themselves how total was Engels’ commitment to legality at the end of his long and eventful life.

Engels to Richard Fischer (representing the SPD leadership), March 8, 1895, Marx/Engels Werke, vol. 39, p. 426.

Legality as long and as far as it suits us, but no legality at any price, not even in words!

Engels to Kautsky, April 1, 1895, ibid, p. 452.

I was astonished to see today in *Vorwärts* an extract from my “Introduction” published without my foreknowledge and excerpted in such a manner to make me appear as a peaceful worshipper of legality *quand même*. I am therefore especially pleased that it is

being published in its entirety in *Neue Zeit* so that this disgraceful impression will be wiped out.*

Engels to Paul Lafargue (Marx's son-in-law), April 3, 1895, ibid., p. 458.

Lieb knecht has played a pretty trick on me. He selected from my introduction to Marx's articles on France between 1848 and 1850 what could serve him to support what he has been preaching for some time and especially at this moment when an anti-Socialist law is being considered in Berlin: peaceful and anti-violence tactics at any cost. But I advocate such tactics only for *Germany at the present time*, and then only with important reservations. On the whole they are not suitable for France, Belgium, Italy, and Austria, and by tomorrow may not be applicable in Germany.

* The version published in *Neue Zeit* was not identical to Engels' original text, Engels having acceded to some (but not all) of the omissions and changes demanded by the SPD leadership on the ground that new anti-Socialist legislation was then under consideration in Berlin and his more revolutionary statements might furnish ammunition for the legislation's proponents. After Engels' death party leaders continued to use the Introduction as evidence of Engels' conversion to the non-revolutionary path, though they had the original text, and the threat of anti-Socialist legislation was no longer present. The full original text was not published until the 1930s, an English translation being included in the International Publishers edition of that period (no date, but our copy contains a note that it was purchased in 1936). We find it not only interesting but symptomatic of the affinity between classical Social Democracy and Eurocommunism that, even after all this history, Max Gordon makes precisely the same use of the Introduction as did the leadership of the SPD before the First World War.

CAPITALISM, STATE COLLECTIVISM, AND SOCIALISM

BY SAMIR AMIN

The starting point, as always, is imperialism. The centralization of capital, having reached the monopoly stage, endowed capital with international mobility and gave it a new dimension which radically altered the conditions of the class struggle. In the nineteenth century capitalism had to develop almost exclusively on a national basis. The separation of the producers from their means of production—largely the outcome of a long historical development—made possible the rapid constitution of a numerous and concentrated working class. At the same time, the base for the further recruitment of proletarians from the potential reserve army of labor grew narrower, either because the countryside was already practically depopulated (England), or because in the face of the proletarian revolutionary movement the bourgeoisie made an alliance with the peasantry, thus enjoining itself from disintegrating it too rapidly.

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(France). Conditions were thus favorable for the gradual transformation of untrammelled capitalism into a social capitalism—newly conquered political rights, trade unionism, and wage improvements became widespread by the end of the century. On the one hand, these working-class conquests helped ¹defuse the threat of revolution; on the other hand, they sharpened ²competition between different sectors of capital, accelerated technological progress, and extended the market.

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The hegemonic sector of capital—the monopolies—now initiated a new global strategy based on external expansion and the systematic division of the workers whom it subordinated on a world scale. Monopoly capital met each victory of the metropolitan proletariat with new external expansion. In the colonies and dependent countries, this sector of capital (1) subjected the proletariat to growing overexploitation; (2) subjected the peasantry to its formal domination, thus extracting from the peasants a growing absolute surplus value; (3) created the conditions for a continuous growth—both absolute and relative—of the reserve army of labor in all its direct, latent, and potential forms. Imperialist domination thereby opened up new perspectives for the rising forces of socialism; it inserted the national liberation movement into the struggle for the socialist transformation of the world.

By protecting one of its flanks, imperialist capitalism thus weakened the other, for all the contradictions* of capitalism are persisting and growing—capital cannot “avoid” them; they are intrinsic to it. But the geographic domain in which these contradictions hold sway tends to encompass the entire world—which is differentiated. To the extent that the effects of these contradictions are mitigated in the imperialist centers, they grow proportionately sharper in the periphery of the system. The fundamental law of accumulation set forth by Marx applies more than ever, but can no longer be verified by exclusive observation of the advanced capitalist nations, for the center of gravity of the contradictions has shifted to the periphery.

This set of facts—they are not conjunctural but have been intrinsic to the world situation for the past century—must always be kept in mind. They constitute the principal aspect of capitalism as it has developed over the past century.

Let us look more closely at the meaning and modalities of this shift.

Imperialism has ^{in metropolises} profoundly changed the way in which capitalism functions in the metropolitan centers. The revisionist left in these countries (Social Democratic and Communist) claims that the concentration of capital in the center creates more favorable conditions for a socialist transformation on the "economic" plane (development of the productive forces and expansion of the size of the production units which merely have to be nationalized) as well as on the "political" plane (possibility of isolating the monopolies by winning over or neutralizing the small and medium-sized entrepreneurs). To be sure, maximal development of capitalist productive forces requires the liquidation of the small and medium-sized enterprises. Big monopoly capital accordingly offers the working class an "alliance" based on this objective, which constitutes the very essence of the Social Democratic alliance as it is practiced in northern Europe.

On the other hand, by accepting this ^{But} "alliance" the working class becomes even more closely subordinate to the ideological hegemony of capital, for the development of capitalist productive forces implies the imposition of specific and alienating modes of life and consumption. Insofar as the working class "plays the game," it deprives itself of the alternative al- 9.
liance with "small capital," allowing the latter to become a substantial right-wing electoral force which the monopolies then use as a bugaboo to frighten the working class into reluctantly making further concessions. Insofar as the working class "offers its hand" to small capital in opposition to the monopolies, as is frequently the case in southern Europe, this retards the development of the productive forces and fosters the survival of the 6.
"middle" strata which the monopolies know how to win over at those critical moments when "private property" appears threatened. Viewed in terms of the prospects for socialism, both policies have repeatedly proved disastrous.

These policies have failed because they are based on a method of analyzing the contending forces and determining strategies that fails to come to grips with the crux of the matter. The "development of the productive forces," on behalf

of which the working class sacrifices its radical objectives, applies in fact only to the center of a system which requires a very different mode of development in the periphery if it is to safeguard the domination of capital in these countries.

✓ It is the imperialist pillage of the periphery that makes "concessions" in the center possible. It should be evident that the relatively high rates of growth in the center over the past century have been very substantially fostered by imperialist plunder. These "high" rates of growth ensured a tendency toward "full employment" in the centers, which in turn created favorable objective conditions for the economic class struggle, making it possible for wages to rise in keeping with productivity. ✗ Under these conditions, the very success of the economic struggle strengthens Social Democratic influence within the working class and creates a common objective interest in perpetuating imperialist pillage. The "left" in question refuses to understand that the logic of a struggle confined to economic objectives necessarily posits "national interests" (i.e., imperialist interests) as common to both capital and the metropolitan working class.

Monopoly capital concedes this strategy because it can offset its concessions by extracting surplus profits elsewhere. In fact, if real wages rise in keeping with productivity, the rate of surplus value is stable (whereas the tendency of the capitalist mode is for this rate to rise), and this leads to a possible tendency for the rate of profit to fall. Monopoly capital, therefore, consents to these concessions only because it can raise its overall rate of profit by extracting surplus profits from the exploitation of labor in the periphery. These surplus profits derive, on the one hand, from direct exploitation of workers whose labor yields a considerably higher rate of relative surplus value than that extracted in the imperialist centers and, on the other hand, from the absolute surplus value extracted from the labor of the producers subjected to its indirect domination. To this must be added the pillage of natural resources, i.e., their exploitation under conditions in which the revenue conceded is lower than in the imperialist centers. Who can still doubt that the sustained growth of the past 25 years was based on virtually free access to oil?

At the same time, capital's new strategy creates the conditions for its own reproduction. The rise in wages extends the market in the center, thereby creating the conditions for the notorious "consumer society" and incessantly extending the scope of unproductive activities. This strategy perpetually confronts the proletarian struggle with new obstacles, such as the steady growth of parasitism and the sensitive nature of "prosperity" viewed in the light of imperialist plunder.

One cannot grasp the nature of this kind of accumulation without adducing—in addition to the two primary sectors of capital-goods production and consumer-goods production—a third, parasitic sector. This was the intent of the pioneering analysis of Baran and Sweezy,* who have been frequently misunderstood (to the point where some have accused them of substituting the concept of the surplus for that of surplus value!).

These aggregate mechanisms and new interconnections constitute the objective basis of revisionism. Lenin's "labor aristocracy" must be included in this complex overall situation. The adherence of the working class to the evolutionist views of Social Democracy has itself become an objective characteristic of the situation. In pseudo-Marxist mechanistic expositions, as we know, the qualifier "objective" is widely reserved for the economic base, whereas elements pertaining to the superstructure are regarded as "subjective" factors. The base is thus placed in absolute opposition to the superstructure—the superstructure becomes a simple reflection (and in this case all one has to do is wait, since the economic base will spontaneously lead to socialism); or superstructural "lag" is attributed to "betrayal" by leaders (as in a "whodunit" version of history).

The new situation, to be sure, does not derive from a strategy designed one-sidedly by capital for Machiavellian purposes. On the contrary, this strategy is defensive—it is the response of capital to working-class victories in the West. Throughout most of the nineteenth century, the bourgeoisie was haunted by the fear of revolution ("a specter is haunting Europe—the specter of communism"). From English Chartism

* Paul A. Baran and Paul M. Sweezy, *Monopoly Capital* (Monthly Review Press, 1966).

to the Paris Commune, the history of the period is marked by repeated revolutionary upsurges of the European proletariat. This is why the bourgeoisie could not afford the luxury of instituting political democracy, however formal. By the end of the century, the twofold struggle of the European proletariat to achieve economic gains and political democracy had produced substantial results that might have been fatal to capitalism. But this is precisely when the imperialist perspective opened up.

Of course, the new situation created by imperialism did not inaugurate a peaceful century of "social harmony" in the centers of world domination. But it created radical changes in the conditions of struggle. We will see further on ~~how imperialism has overcome the crises of the system until now.~~

b. Before dealing with this point, however, we must consider the other side of the coin: the periphery consisting of the countries dominated by imperialism. This vast world—immense in terms of population, resources, history, and potential—has been subjected to the ruthless law of capital accumulation: L2 rates of surplus value that are not stable but rising, unbridled extraction of absolute surplus value, irreversible plunder of natural resources, massive proletarianization and mind-boggling growth of the reserve army of labor, brutal disregard of elementary democratic rights, and so on. This image of the capitalist world—viewed as a whole, as it should be—is far from that propagated by the high priests of "prosperity" in the West. On the world scale, which is the true one, "prosperity" is the exception and "crisis" the rule.

It is not surprising that this century of imperialism has been a century of wars, revolutions, and continuous violent struggles in the periphery. It is no accident that the past twenty-five years—the years of economic boom in the West—have witnessed wars in Indochina, guerrilla warfare in the Philippines, Malaysia, and Thailand; war in Korea; four wars in Palestine; Indian-Pakistani wars; the Algerian war; war in the Portuguese colonies; the Cuban Revolution; apartheid in South Africa; peasant uprisings in Kenya, Zaïre, Cameroon, and ten other African countries; famine in the Sahel; CIA-engineered coups d'état and massacres in Iran, Indonesia, Chile; and so

on. It is not surprising that the political changes on the world scale are focused in the periphery—in the Asian and African independence movements, in the agrarian reform movement, in the nationalist movements (of the “Nasser” type), in the movement of peoples and even (bourgeois) states “challenging” international equilibrium and the world economic order. Compared with a relatively stable West which, until now, has been able to overcome its crises (1968, Portugal, Greece, Spain) without suffering major shocks, the periphery is a world in which class relationships are in a state of upheaval. This is the primary driving force of contemporary history.

Objective conditions in the periphery are, in the fullest sense, strategically favorable to socialism. The struggle for national liberation has become an integral part of the socialist transformation of the world, in the sense that this liberation can be achieved only by a broad front led by the proletariat. Objective conditions throughout the periphery—on the level of the superstructure as well as on that of the economic base—are such as to enable the proletariat to become an autonomous and leading force capable of forming an irreversible alliance with the broad masses of the exploited peasantry, and thus becoming a popular majority that could win over the petty bourgeoisie and neutralize the middle strata. Here the revolutionary left is not isolated, as it is in the center; on the contrary, it is imperialism and its local vassals that can be isolated.

Of course these objective conditions are still far from being fully exploited. In East Asia, where these simple principles have been implemented, socialism has won solid successive victories. But elsewhere—in India, the Arab world, southern Africa, Brazil, Mexico—the correct line does not yet prevail. Here, leadership of a broad united front by an autonomous proletariat allied with an autonomous poor peasantry was replaced with an amorphous assemblage of all the anti-imperialist classes. This means that the movement is in fact led by the petty bourgeoisie—by groups, strata, and classes, which, under prevailing conditions, do not join the revolution but betray it and constitute themselves into new ruling classes by compelling imperialism to make the compromises and concessions that cause them to thrive.

Here too, to be sure, even more so than in the center, history does not unfold on a static stage with never-changing actors. Here too, the victories of the anti-imperialist struggle are forcing imperialism to make strategic readjustments which alter the subsequent conditions of the struggle.

Without overly simplifying world realities, we can divide this history into two periods. In the first period, triumphant imperialism imposed a division of labor which obstructed the development of the local bourgeoisie. Basing itself on the big landowners and the compradors, imperialism blocked industrial development. It was then valid to speak of a national bourgeoisie, although it was more potential than real—it was part of the liberation movement for which it frequently provided the leadership. This bourgeoisie won victories that led to independence, agrarian reforms, and industrial achievements. It was thus able to force imperialism to accept new terms for the international division of labor; but having found its place in the system, it ceased being anti-imperialist. Nor was it able to control the system—it is still subject to external domination, and cannot “solve” its fundamental problems in terms of the model prevailing in the imperialist centers. The masses remain the victims of the inexorable law of accumulation.

Insofar as this account adequately represents the essence of historical developments over the past century, it elucidates the meaning and scope of current debates concerning imperialism. These debates which at first focused on what is merely the superficial aspect of (“unequal”) exchange, eventually came to grips with the crux of the matter—the unequal international division of labor and the question of class alliances. As we have shown elsewhere, the debate forced the participants to choose sides: either imperialism is indeed the principal aspect of contemporary capitalism, or it is not (in which case Lenin, among others, was wrong). The (purely illustrative) “model” which we formulated was intended to provide an unambiguous basic “summary” of the law of accumulation in the imperialist system: in the center a stable rate of surplus value, full employment, and parallel growth of wages and productivity; in the periphery, a rising rate of surplus value and a growing reserve army of labor. This is the foundation of the unequal

international division of labor and of the international class alliances. Viewed in this context, "unequal" exchange is nothing more than the mechanism of surplus-value circulation in the imperialist stage of capitalism.*

These conclusions are widely rejected in the West. This is not surprising. This is the only domain in which Social Democrats, revisionists, Trotskyists, and many "leftists" are almost unanimous in indignantly rejecting any discussion. Some have cunningly invented an "epistemological argument" that enables them to avoid analyzing these crude realities—the problem, they claim, involves "exchanges" and not "relations of production"! This is a poor and fallacious argument. Apart from relations of production, is it not necessary to study the circulation of surplus value? Marx, at any rate—after making a basic analysis of the capitalist mode of production in volume 1 of *Capital*—did not consider it superfluous to devote all of volume 3 to a study of the circulation of surplus value and its conversion into profit, interest, and rent.

As we have stated on previous occasions, such a study is essential to an understanding of the capitalist mode. For the mystification resulting from the profit form—the apparent productivity of capital—provides capitalist ideology with its essential content, economism, and the obfuscation of the extraction of surplus value determines a certain relationship between base and superstructure that is specific to capitalism. The question of whether or not to study the circulation of surplus value is meaningless to a Marxist. The real question, of which these "critics" are totally unaware, is this: What has changed in the circulation of surplus value since Marx? If nothing has changed, if imperialism operates only on the secondary level of international political relations, then volume 3 of *Capital* ^{not} suffices. Marx's hypotheses concerning the circulation in question are as follows: national mobility of commodities and labor power (i.e., identical rates of surplus value), national mobility of capital.

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to study
circulation

* See Samir Amin, *Unequal Development* (New York, 1976); *L'échange inégal et la loi de la valeur* (Paris, 1973); *L'impérialisme et le développement inégal* (Paris, 1976). (To be published in English by Monthly Review Press.)

With the advent of imperialism, however, commodities and monopoly capital break out of their national boundaries and tend to encompass the world, whereas labor power remains relatively confined within national limits. This, of course, makes for many changes in the circulation of surplus value. The "argument" that what matters is only the relations of production, and not exchanges and circulation, is intended solely to avoid the thorny question of imperialism. The nonsense resulting from such an attitude is predictable; it inevitably accompanies the substitution of Marxology for Marxism, or of "reading *Capital*" for "reading capitalism." There can be little doubt as to what lies behind this attitude: it reveals extraordinary ideological resistance to the recognition of a crucial change in the objective conditions—the very change that has caused the locus of revolution to shift from the working classes of the West to the peoples of the East. This resistance is to be expected; it is an integral part of these objective conditions.

*Some
of
crises* Our conclusions make it possible to examine the "fluctuations" and "stages" of imperialism. For every strategy of imperialism is a response to the struggles of the working classes in the center and of the peoples in the periphery, both of which threaten the profits of capital. The monopolies exploit every weakness so as to extract more surplus value from labor power; every partial victory compels capital to make new readjustments. This is how the nature of the "crises" of the imperialist era must be understood.

The first crisis resulted from the unequal division of the world at the end of the nineteenth century. It led to the war of 1914-1918, the first great inter-imperialist war waged for the purpose of redivision. This crisis revealed what had been concealed—that Social Democracy had embraced imperialist chauvinism. But this first crisis also resulted in the Russian Revolution. It was no accident that this break occurred in a semi-peripheral country in which the working class was able to win over the peasant masses. In spite of the illusions prevailing at the time, the working class in the West (especially in Germany) did not want (or no longer wanted) socialism—it only wanted more democracy and a smaller share in the financial burden imposed by the defeat of its bourgeoisie. The war also

gave rise to the first wave of Asian and African liberation movements largely dominated by the local (then still national) bourgeoisies, but already surpassed by the masses led by the proletariat in China.

The great crisis of the thirties resulted from the contradictions of accumulation under circumstances determined by the first period of imperialist expansion; these contradictions were aggravated by the consequences of the First World War. This crisis created the conditions for the reconstitution of an enormous reserve army of labor in the imperialist centers. It was used by capital to delay making concessions to the national liberation movements which, led by the bourgeoisie, pursued the objective of modifying the terms of the division of labor. Violent social struggles in the center reflected the resurgence of revolutionary situations. But imperialist ideology retained its hegemony over the working classes in the West. This crisis, therefore, did not have a revolutionary outcome—fascism recruited the unemployed, and the Social Democratic popular fronts were limited, confused, and firmly imperialist (see French policies in Algeria, Syria, and Indochina during this period). The true outcome of this crisis was another war.

The Second World War resulted, on the one hand, in substantial changes in the relationship of forces among the imperialists and, on the other hand, in a new victorious upsurge of national liberation movements which, in the thirty years since the end of the war, removed East Asia from the capitalist system. Elsewhere, the local bourgeoisies were sufficiently strong to be able to alter the terms of the international division of labor and develop import-substitution industries in the framework of the world system. This led to the integration of these bourgeoisies into the imperialist alliance, and intensified the exploitation of the primary export resources destined to finance industrialization. The great “prosperity” of the past few decades developed on these foundations. Its current crisis has a twofold source: the challenge which the peoples and states of the periphery are posing to the conditions that fostered this “prosperity” (energy and raw materials crises, international division of labor, etc.), and the resistance by the working classes in the West to a “readjustment” at their expense.

It is not possible to "predict" the outcome of this crisis, nor should the possibility be excluded that revolutionary change will occur here and there. We can only analyze the strategies and ideologies of the contending forces.

It is possible that the aggressive efforts of the Third World bourgeoisies will give them a new lease on life. The fact remains that the basic problems of these countries cannot be solved within the framework of the world capitalist system. The objective conditions, which are strategically favorable to the forces of socialism, remain unchanged.

It is also possible that the crisis in the center will be aggravated to the point where it will give rise to a revolutionary upsurge in the weakest sectors. Many events that have occurred since the mid-sixties (France, Italy, Portugal, etc.) testify to this possibility. On the other hand, it should not be forgotten that the deteriorating situation in Great Britain and the stagnation in the United States have in no way heightened the political consciousness of the workers' movements in these countries; on the contrary. In Portugal and Spain, the masses seem to want nothing more than a "democratic" integration into capitalist Europe.

We must not forget the misfortunes of the working class in the West during previous crises. Neofascism, or a decline of democracy as in the United States for the past thirty years, or as in Germany where social capitalism and political authoritarianism coexist, are also possible "solutions." Democracy, which was conquered by the working class, has never really functioned except when imperialism has prospered, and it has been jeopardized by every crisis of imperialism.

Both in the center and periphery of the system, therefore, the struggle against imperialism remains the main axis of the struggle for socialism. For in the metropolitan centers themselves no decisive growth in political consciousness is possible until the question of imperialism is dealt with. It is no accident that 1968 was preceded by struggles against the Algerian war and in support of Vietnam and Palestine, and that it was on these issues that revisionism revealed itself. Nor is it an accident that April 25 in Portugal resulted from colonial wars. In view of the crisis of imperialism, it is extremely important to empha-

size the crucial importance of this axis. Imperialism is planning new aggressions. Isn't this the meaning of the coalition it is trying to build against China? Doesn't this recall the coalition which Western liberals and fascists tried to build against the Soviet Union in the thirties? "In resisting the English, the emir of Afghanistan contributed objectively more to the socialist transformation of the world than the members of the Labor Party." This is still true. And yet, at a time when imperialism is trying to arouse the peoples of the West against the "backward" countries that dared attack it by raising the price of oil, self-styled "revolutionary" groups are hastening to its aid. And periodicals that call themselves "revolutionary" are solidly Zionist! Many other examples could be cited showing that the rebirth of a revolutionary consciousness in the West must pass by way of struggle against imperialism.

Once these points are understood it becomes possible to grasp the true significance of revisionism and of the threat it poses. For revisionism is the "material" product of imperialism. It represents basically a return to bourgeois mechanistic materialism, to the philosophy of the Enlightenment, with its idea of (linear) Progress and its economic reduction of history to "adaptation to the exigencies of the development of the productive forces."

Benot reminds us of this by quoting the naive Serrati: "We Marxists, we interpret history, we do not make it, and we transform ourselves in the course of time in keeping with the logic of facts and things. We do not attribute revolutionary virtues to principles or barricades. We think that there is more revolutionary substance in the transformation of the means of production than in all the abstract proclamations."* This is the exact opposite of what Marx's Theses on Feuerbach teach us. It is nevertheless a common, constantly reiterated view in the USSR, whereas Mao Tse-tung, in proclaiming the primacy of production relations over the productive forces, and that of the class struggle over the development of the productive forces,

* Yves Benot, "Gramsci en France," *La Pensée* (no. 184, December 1975); G. M. Serrati, *Comunismo* (October 1, 1919).

was true to Marx. Economism is not an incidental "ideological error"; it reflects the changes impelled by imperialism under conditions of class struggle on a world scale. In this sense, economism is an integral part of the objective conditions of this struggle.

This "adaptation" overlooks the fact that the transformation of production relations is the prior condition for a qualitative leap in the development of the productive forces. It overlooks the fact that today, on the world scale, a genuine development of the productive forces requires the establishment of socialist production relations.

The "adaptation" thesis, whether in its "opportunistic" version or in certain self-styled "leftist" versions, in practice serves to justify imperialism. At the end of the nineteenth century, (capitalist) "development of the productive forces" required the submission of the peoples of the East to the monopolies. Colonialism, which the "left" justified as a "progressive" philosophy, served as a prop for the national chauvinism which induced the working classes of the West to slaughter each other.

How is the question of "adaptation" to be viewed today? Continuous centralization of capital—such is the (capitalist) law which dictates the development of the productive forces. Beyond the established oligopolies, we can already glimpse the growing shadow of the state monopolies, especially in the new, most modern, and most "promising" branches (atomic energy, seabed exploitation, conquest of space, etc.). The revisionist thesis will no doubt insist that things should be allowed to develop in that direction, so that we may ultimately witness the spontaneous emergence of a "socialism" reduced to state property. The Marxist thesis is that this "socialism" is in fact a new class society, which Beaud, Bellon, and François* call state collectivism—a class society that differs from capitalism in that the market circulation of surplus value is replaced with the organized redistribution of surplus value by the ruling state-class. Such a change—together with a restored transparency of eco-

* See footnote on p. 25 above.

conomic relations—will merely re-establish the predominance of ideology. And the ideology in question is bound to be neo-imperialist. The USSR provides a precise image of this “possible” future; but the United States, Europe, and Japan could evolve in a similar direction.

Such a neo-imperialist ideology would surely be one of “consumerism” on the one hand, and of “Western” chauvinism on the other. Economism gives a “scientific” guise to the tautologies on which it bases its justification of inequalities in the name of the inequalities of so-called “productivity.” The West-centered outlook is pleasing to those who are repelled by a brutal racist version of this same mode of thought. This is nothing new. As early as 1910, when the white colonists of South Africa won autonomy for the new British dominion, the European workers’ movement hailed this great “victory” which sowed the seeds of apartheid and of the eventual development of a key imperialist outpost. And from 1948 to this day, all the “friends” of Zionism have been, for the same reasons, trumpeters of imperialism.

The strength of the West-centered ideology testifies solely to the strength of imperialism. The imperialist stage dictates a socialist transformation of the world that will probably be very different from what Marx anticipated under pre-imperialist conditions. Beaud, Bellon, and François pose the question of a “hundred-year revolution” in most convincing terms. Within the imperialist system, in the center and in the periphery, there are thus two broad groupings pursuing the goal of transformation; although these groupings are operating under different conditions and according to different modalities, they could complement each other.

In the periphery, the transition toward socialism proceeds by way of revolutions of the “classic” type—sharp breaks at the level of political power. These breaks, carried out under the leadership of the proletariat in close alliance with the peasantry, are at the same time radical breaks with imperialism. This first, political revolution is followed by a struggle between the forces of socialism and those of state collectivism.

But in the center we can glimpse a different model—static warfare on the terrain of civil society without an indispensable

break on the level of political power. The objective results of victories won on the terrain of civil society under these conditions are uncertain; these victories are always ambiguous—they hold out the alternatives of socialism or state collectivism.

The outcome depends on the degree to which the social process has been mastered, i.e., on the degree of consciousness and political organization. This consciousness remains necessarily backward as long as the struggle against imperialism is not waged consistently in the centers themselves. In the absence of such consciousness, not only are the results of the process of transformation uncertain, but the most probable outcome is state collectivism, for such a transformation would take place, as it were, in a “thick fog.”

By analogy with the transition from ancient society to European feudalism, we call this kind of transition decadence. Viewed from this perspective, the gradual transfer of industries to the non-liberated zones of the periphery would be accompanied by growing parasitism in the center. Even as the Roman plebeians, subsisting on the imperial dole, were incapable of intervening in a revolutionary transformation of Rome, so the consciousness of a growing proportion of the population in the center may suffer increasing degradation. At the same time, the importation of peripheral labor power for the remaining productive activities in the center would aggravate the division of the workers and obfuscate the consciousness of both. As at the time of the Roman Empire, the struggle over citizenship rights would become the precondition of any significant political activity. But didn't even the Edict of Caracalla come too late?

Transformation thus does not involve only two opposing forces that would confront each other in a decisive and conscious struggle—the forces of capitalism and the forces of socialism. There are three camps: the camp of capitalism, that of state collectivism (the “natural” heir of capitalism), and that of socialism. State collectivism emerged as a result of the new factors which the imperialist stage injected into capitalism. It is imperialism which has obfuscated the political consciousness of the working class in the centers, and subjected it to an economic ideology which leads straight to state collectivism.

The revolutionary lag in the West in turn determined a

specific transitional form in the periphery, where the forces of state collectivism and socialism are also confronting each other. For although the indispensable anti-imperialist struggle fosters socialist forces in the periphery, it also fuels nationalism in the dominated countries; and nationalism undermines the leadership of the working class and brings to the fore classes which harbor the state collectivist project.

This danger in the periphery is aggravated not by lagging productive forces, but by lagging working-class consciousness in the West. The three contending camps are not coextensive with three state blocs, although this could be the case at a given moment, for the three camps are also operative within each bloc. The alliances that may be concluded among them depend, therefore, on many factors and must be appraised, not abstractly in terms of "absolute principles," but in relation to concrete situations.

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PRESIDENT CARTER AND THE "NEW MORALITY"

BY JAMES PETRAS

There has been a great deal of news coverage of, and debate over, President Carter's "new morality" approach to foreign policy. In both scholarly and journalistic circles, the pros and cons of the Carter pronouncements have been debated as if the insertion of moral issues in U.S. foreign policy is something novel. Moreover, numerous liberal and left publications and organizations have expressed hope that positive changes toward a more humane international order are in the offing. At the same time, others—both liberals and conservatives—have criticized the Carter administration from a variety of viewpoints. The *real politik* school of liberalism, for example, argues that moral issues are an obstacle to negotiations over substantive interests and create barriers to the reaching of limited agreements in areas of common concern. This position is frequently taken with regard to Carter's pronouncements vis-à-vis the Soviet Union. On the other hand, some conservative critics have expressed concern with Carter's human-rights rhetoric and military-aid cutbacks with regard to right-wing military dictatorships in Latin America. By making the human-rights issue so central to U.S. policy, the argument goes, the long-term, broad-

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er, political-economic ties between these regimes and the United States are undermined.

To a large extent this debate, like the issues under consideration, fails to come to grips with the essentials. Throughout the twentieth century, "morality" has always been an important ideological element of U.S. foreign policy. The most important U.S. foreign-policy developments have always been accompanied by massive doses of moral rhetoric, accompanied by quasi-religious intonations and citations. If we are to understand why morality is the specific ideological weapon employed, it is important to identify the historical conjuncture within which these pronouncements occur and to analyze their specific functions; this historical pattern provides us with a *larger framework for understanding current policy pronouncements*. In addition however, the Carter administration, in resorting to the morality tradition, faces a set of new problems and opportunities which require certain kinds of manipulation of the morality component in foreign affairs.

Historical Antecedents: "New Moralities" in the Twentieth Century

What is striking in reviewing the major turns of U.S. foreign policy vis-à-vis Latin America is the convergence of the crassest political-economic interests with the most lofty moral pronouncements. Woodrow Wilson, perhaps the most interventionist president of the century, couched his moves in the rhetoric of "making the world safe for democracy." Both in the Caribbean region and in world politics, U.S. military power was displayed on a scale previously unimaginable. The second president who indulged in morality as an instrument of foreign policy in a big (if folksy) fashion was Franklin Delano Roosevelt, with his Good Neighbor Policy (for Latin America) and later his Four Freedoms speeches in support of U.S. global intervention. In the same genre was John F. Kennedy, with his high-sounding "New Frontiers," "Alliance for Progress" speeches, which evoked higher purposes and promised to make everyone into born-again democrats. The apparent pursuit of high moral values then is the work of consummate politicians whose purpose is to legitimate an expansive foreign policy in

the context of a normally democratic political system. This problem is particularly acute with liberal-democratic politicians who cannot pass off their dealings as the results of business or military interests but who, in order to satisfy their democratic and popular clientele, must project images of good deeds, moral courage, and even personal sacrifice. Among the many strands which replace political thought and experience in the United States have been the religious movements, with their emphasis on personal virtues and individual deeds, rather than social structures and political struggle. This residual religious sentiment has been instrumentalized through the presidency to provide the moral energy for imperial expansion. But it is not through mere moral deception or ideological manipulation alone that the morality-cum-imperialism phenomenon can be understood: if that were the case, this phenomenon would perhaps dissipate over time, since more and more people would take heed of the discrepancies, and the ideology would not serve its purpose. The morality component in U.S. overseas expansion persists, however, because substantial numbers of Americans have benefited from direct interventionist policies. One high State Department official confessed (during a public debate in which I participated) to being a Jeffersonian jingoist. This admission entailed support for democracy at home *and* imperialism abroad. This phenomenon had its roots in the "populist" nature of the expansion of U.S. capitalism in the nineteenth century, when an entire people settled the country and expropriated the means of production from existing pre-capitalist societies throughout the region. It is to this earlier tradition of "populist" capitalism and religious apoliticism that contemporary imperialism has addressed itself in seeking to fashion a legitimating tool in moments of crises and growth. The earlier *bête noire* was European colonialism, which was presented as a particularly heinous institution which subjugated peoples—and prevented U.S. expansion. In the past, the rhetoric was anti-(European) colonialism; today it is "human rights" in the Soviet Union. Both are worthy goals, but unfortunately inseparable from the efforts of the United States to reassert its political authority and, concomitantly, its economic power throughout the world.

The circumstances in which the moralistic-populist rhetoric has gushed forth in Latin America point to particular critical moments in the expansion of U.S. imperialism. The first expression, during the Wilson period, occurred during a period of *outward expansion and revolutionary confrontation*. Wilson confronted the first massive popular social revolution in the century (Mexico) with a fusillade of moral-concern- and human-rights declarations and sent General Pershing to bring civilization to the "bandits." Wilson attempted to reconcile U.S. economic interests with his domestic political beliefs through the agency of morality—a morality which purportedly stood above the class and national struggle, and which was conveniently directed at precisely those who opposed the dominance of the United States and their local collaborators. Morality was here clearly instrumental in legitimating expansion, "out-moralizing" revolutionary appeals, and defending counterrevolution.

The second expression of morality in U.S. foreign policy toward Latin America occurred during the F.D.R. period. The "Good Neighbor" policy was directed toward the *consolidation of dictatorial client states* in the Caribbean (Somoza in Nicaragua, Batista in Cuba, etc.): the non-intervention policy threw a smokescreen over earlier interventions by the United States, which had often contributed substantially to putting these regimes into power. Here the emphasis shifted from morality directed at undermining revolutionary regimes to morality (non-intervention) directed at bolstering clients. The large-scale crises of U.S. capitalism—the great depression of the 1930s—in a sense forced, at least temporarily, some constraint on U.S. overseas expansion. In some respects, the Good Neighbor morality made a virtue of necessity.

Kennedy's oracular pronouncements on the hemisphere gave birth to the third morality play. Kennedy confronted the Cuban Revolution and its repercussions in Latin America with a new burst of heady rhetoric: the Alliance for Progress. The purpose this time was to *head off the revolutionary challenge to U.S. hemispheric hegemony*. Along with the great uplift campaign, a massive transformation of the repressive apparatuses of the countries of the region took place, tooling and directing them to the most efficient repression of "insurgent" forces.

Morality is the recurring ideological expression of U.S. imperialism in a period of crisis: it is what is offered to the world in place of substantive changes in the world's economic and social order. In this sense, the populist-moralist ideology of Carter is nothing new—rather, it follows the tradition quite nicely.

Carter and the "New Morality" Ideology

I would like now to focus the discussion primarily on the meaning and content of Carter's pronouncements vis-à-vis Latin America. Essentially, President Carter's "human rights" criticism is directed at political *techniques*, the *methods* by which political goals are achieved. This approach, in effect, does not question the origins or legitimacy of any regime—nor does it call into question the institutions or organizations which sustain them. Hence, for example, the Carter administration does not have to dredge up the past, as in the case of Chile, to locate U.S. responsibility for the regime which is so flagrantly violating these rights. And when one of his subordinates in Geneva makes a passing reference to the whole sordid affair (in the form of an apology for the *last* administration's behavior), that statement is immediately repudiated. Equally important, fundamental economic, military, and political linkages are not altered or called into question since the "human rights" issue is abstracted out of these multiple contexts. By criticizing the regimes on human rights, the policies and structures of power which call forth the violence are left inviolate.

The "New Morality": Impact on Policy

Carter's initial outburst of moral passion created a certain nervousness in Latin military circles: they didn't know how to evaluate it in policy terms—how much to discount and what areas were purportedly to be covered. More important, there was uncertainty as to the economic consequences that might follow—an especially important matter with regimes heavily indebted to U.S. (and U.S.-influenced) banks. The diplomatic pressure and public criticism led to the release of some prisoners in some countries and to the "disappearance" of others—

both methods utilized by the regimes so that they could claim that they were not holding many political prisoners. The cut-back of military aid to several countries was another measure designed to *influence* the regimes, not to stir up animosities—let alone undermine their power. The president of First National City Bank, William Spencer, reassured the Brazilian authorities:

The problem of human rights has nothing to do with the loan policies adopted by the large international banking organizations. Brazil's debt to City Bank is about \$2,000 million in U.S. dollars and we are still not imposing any restrictions. (Quoted in *Latin America Economic Report*, April 1, 1977, p. 51.)

Throughout this shadow-boxing, however, what remained decisive was the fact that the Carter administration continued to give the green light to the continuance of massive foreign aid through multilateral and bilateral agencies (the World Bank, the International Development Bank, etc.) as well as private banks. Nothing illustrates the vacuousness of President Carter's "new morality" approach to foreign policy so much as his opposition to Congressional legislation which would have required the United States to vote against international development loans to countries violating human rights. In a letter opposing the bill, President Carter wrote House Banking Committee Chairman Henry Reuss that the legislation "would subvert the integrity and effectiveness of the institutions in promoting economic and social development in the poorer countries." There is no question that the international banks have been "effective" in undermining the intent of Congress by providing massive loans to Pinochet, compensating for the cut-off of direct U.S. aid. (*New York Times*, April 7, 1977) The net effect of this has been to minimize to triviality the act of arms cuts, as the regimes can simply shift budgetary items to military purchases and substitute U.S. economic loans in their place. Hence the net impact of the "new morality" as far as influencing the ongoing economic relations between the United States and Latin America has been minimal.

Moreover, even in the case of Brazil, the breaking of the military pact has minimal impact on the long-standing relations

and liaisons among the Pentagon, the CIA, and the Brazilian military and political police. Diplomatic coolness is in no way incompatible with the durable linkages forged over a generation between U.S. multinationals and banks and the Brazilian regime. And for that matter, the issue of human rights and U.S. economic collaboration has never been joined and most likely never will be.

The Political Basis for the "New Morality"

In the recent period, the United States has gone through a series of internal and external crises which called into question the authority of the government. Racial conflicts, student protests, foreign-policy debacles, large-scale unemployment, food scandals, energy shortages, and inflation have all played a part in defining the nature and quality of U.S. society. *U.S. capitalism, as in the past, needs to renew itself but, given the organization of political power, it cannot do so through the ordinary social democratic path of structural reforms (welfare, redistribution of wealth, political democratization, etc.), but only through changes in ideological format.* The lack of a labor-backed political opposition and the integration of labor bureaucracy within the capitalist system preclude anything but symbolic, "moralistic" changes. From the viewpoint of the corporate ruling class, this is the cheapest and most effective fashion for avoiding any challenges to their authority and profits. On the contrary, the "moralism" abroad is an effective distraction from problems at home. Both serve to buttress corporate authority while attempting to provide an apparently new basis for political authority.

More immediately, three sets of circumstances warranted the rebirth of moralistic ideology: the Watergate events, Vietnam policy, and the U.S. role in the overthrow of the Allende government and support of the Pinochet dictatorship. Each one of these circumstances eroded the authority of the U.S. government, both among its own people and abroad. Watergate led to widespread distrust, cynicism, and rejection of the presidency. The delegitimation of government led to a conscious effort to create a new basis for eliciting support. The massive

destructive efforts of the United States in Vietnam (and the defeat) led to the delegitimation of U.S. foreign policy—both its goals and methods. The criminal bombings of population centers horrified most of Europe and the Third World. The support of the local satraps did little to bolster confidence in U.S. global pretensions. The “new morality” foreign policy is an effort to project a new image, launder the recent past, and regain political and diplomatic initiative without any basic changes in political-economic alignments. The recent airlift of U.S. arms to the corrupt dictatorial Mobutu regime in Zaïre is indicative: Aid shipments were announced on the same date on which human-rights violations in Zaïre were documented in a State Department publication.

The third contextual element in Carter’s morality posture, particularly in relation to Latin America, is the delegitimation of U.S. policy in the region. By contributing to the overthrow of Allende and thus opposing democratic change, and by subsequently supporting Pinochet, Washington put itself in opposition to most centrist and social democratic regimes in Europe, most moderate nationalists in the Third World, and many liberal-democrats in the United States. Its human-rights approach in Latin America is directed toward neutralizing this opposition among allies in the West without endangering client relations with Latin America.

Functions of Carter's "New Morality"

It is clear that the “new morality” has a double purpose: to support certain regimes, their policies and linkages with the United States, while simultaneously influencing *changes in methods of rulership*. The latter is especially important in light of the fact that the techniques of domination isolate, or threaten to isolate, the regimes from the advanced capitalist countries and thus endanger the larger relationships. By moderating the level of repression and eliminating some of the excesses, Carter’s team hopes to reestablish a basis for working in tandem with both Europe and Latin America, as well as building bridges back to Congress.

For the Carter administration the crucial function of ideo-

logical criticism of regime methods is to *relegitimize* the U.S. government, its policies and its leaders, as well as the basis of its external linkages, *without altering the substance of the relationship*. It is not surprising that Carter's principal response to the revelations of U.S.-CIA payoffs to foreign leaders was to call for—a closing off of leaks! Such is morality.

Nevertheless, the conflicts at the ideological level between the administration and the regimes in Latin America produce contradictions: the process by which the United States seeks to relegate itself is perceived by these regimes as taking place at their expense, endangering the position of the current governing power. Hence, they in turn respond by grasping at their most convenient moral-ideological weapon—"nationalism"—to safeguard their operational options and methods of rule. Hence, in the footsteps of Carter, the Latin American rulers construct a counter-"new morality" and the charade continues: the more their ideology changes, the more their societies stay the same.

In conclusion, the "new morality" is not new, the morality is not consequential. The purpose is to consolidate U.S. hegemony in the hemisphere, to neutralize center-left critics abroad, and to enlist popular support at home for new confrontations with anti-capitalist forces throughout the world.

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WHY CARTER CAN'T REDUCE MILITARY SPENDING

BY MICHAEL REICH

The *Wall Street Journal* recently expressed an interest, through the Public Affairs Office of the University of California at Berkeley, in running material on current economic issues from a radical viewpoint. The following article was accordingly written and submitted to the *Journal*, but it was not judged acceptable. Michael Reich is a member of the economics faculty at Berkeley, and is co-author of *The Capitalist System: A Radical Analysis of American Society*.—THE EDITORS

The sluggishness of investment and the slow recovery from the 1974-1975 recession are demonstrating once again the stagnationist tendency of U.S. capitalism and the need for government to stimulate aggregate demand. Tax reductions can stimulate the economy, but they are not adequate. Government expenditure is also needed. Since the Second World War the most important outlet by far for federal purchases to increase demand consistently has been military spending.

I do not believe this pattern will change significantly. On the contrary, pressures are building to increase military spending again. These pressures are systemic and operate no matter who sits in the White House. Although Keynesian economists have long argued that any form of government spending can stimulate the economy, the widely held public sentiment that war and prosperity are linked in a capitalist system is basically correct. Why?

The advantages to capitalists of military expenditures as a stimulant contrast sharply with the disadvantages of social-welfare expenditures. Military spending is easily expandable because there are no easy public criteria for "how much is enough," because it adds to and does not compete with private demand in any individual industry, and because weapons systems have high replacement rates. Federal social-welfare purchases, by contrast, engender numerous sources of opposition from business. They do not provide the same massive opportunities for waste; they put the government in direct competition with particular industries; they tend to benefit the poor and working class; and they call into question the desirability of giving only private profit-seeking corporations the responsibility to produce goods and services.

In fact, social expenditures by the federal government have not played an important role in sustaining aggregate demand. Non-defense federal purchases—a category which excludes transfer payments like unemployment insurance and social security payments — were 4.3 percent of GNP in 1939, but only 2.6 percent in 1964 and 2.4 percent in 1974.

By contrast, defense purchases were 7.7 percent of GNP in 1964, 9.0 percent in 1967, and 5.6 percent in 1974. These figures do not include the massive foreign military sales of the past several years.

The recent decline in the military budget was a result of the end of the Indochina War and the need to control the attendant inflation. The pressure to keep the lid on federal spending altered the context in which the military budget is determined. But once inflation is reduced, the advantages of using increased military spending to solve aggregate demand problems will again come to the fore.

Significantly, the major industrial corporations still play a large role in armament expenditures. Of the top 25 industrial corporations (ranked by sales) in 1973, 19 ranked among the 50 largest military contractors. Conversely, of the top 25 Pentagon contractors, all but 4 were among the top 100 *Fortune*-ranked industrial corporations. Contrary to its "enclave" image, a wide range of industries is involved, directly or indirectly, in military expenditures.

II

What about the argument that military spending dampens economic growth by crowding out productive private investment? Don't such prosperous capitalist countries as Japan and Germany gain by spending a much lower proportion of their GNP on armaments and a much higher proportion on investment? This "crowding-out" view misconstrues the positive effects of military spending on U.S. economic growth, the military requirements of U.S. imperialism, and the important differences in aggregate demand conditions between the United States and the other developed capitalist countries. Military spending turns out to provide the most acceptable government stimulant to economic growth available to U.S. capitalism.

The positive effects of military spending on economic growth are apparent from a list of the major growth industries that fueled the now-ended long wave of postwar economic expansion. Such major new products as computers, electronics and telecommunications, commercial jetliners, radar and scientific instruments owe their development and growth, directly or indirectly, to militarism and war. And foreign military sales now account for 10 percent of U.S. exports, twice the value of recent wheat sales abroad.

The Second World War ended with the U.S. economy stronger than ever, while most other industrialized capitalist economies were in a shambles. The United States took on the job of global police officer for the capitalist system, containing the Soviet Union and fighting anti-capitalist national liberation movements. In a nuclear-weapons era that does not allow time for war mobilization of civilian industry, the exigencies of U.S. imperialism required a permanently large military budget able to sustain a permanent strategic force. U.S. capitalism on the whole benefited mightily by these military expenditures; the entire international capitalist system grew rapidly, and with it the international operations of U.S. businesses.

But it would be a mistake to explain the entire military budget in this fashion. The military budget does not have to be as large as it is to meet these international needs. There is much evidence to show that the arms race with the Soviet

Union has developed at a pace controlled largely by the United States. A lower level of military spending would not have produced a different military balance. Moreover, substantial evidence confirms the considerable inefficiencies in the Pentagon budget. The same military objectives could be achieved with a considerably smaller budget.

To account for the large size of the military budget, we have to return to the need for an aggregate demand stimulant in the United States.

Until recently, Western Europe and Japan did not have aggregate demand problems. Rapid postwar economic growth in these countries resulted in part from the abundance of cheap labor and the possibility of applying technological gains developed in the United States. But equally important, big business in these countries encouraged the state to intervene actively in the organization and direction of productive capital investment. Large-scale capital recognized that an active state was needed to defend against competition from U.S. exports and direct investment. In France and Japan, for example, the state supervised a cartelization process, selecting leading firms and effectively liquidating lesser ones. Tax and subsidy instruments — and state-owned banks in Japan — directed credit to targeted growth sectors, while discriminating against “weak” industries. This process weeded out marginal firms and industries while a high rate of investment was maintained. Productivity grew more rapidly because costly recessions were avoided. The originally defensive position of European and Japanese capital led to state policies to keep investment high and rationalize industry. As a result, no further aggregate demand stimulant was needed.

Such a stimulus was needed in this country. The United States also began the postwar period with a sizable reserve army of labor, especially in agriculture and the household. Once the militant wing of the labor movement was repressed, labor costs were controlled and a high rate of profit could be generated. For profits to be realized, however, sufficient demand was necessary. Through most of the postwar period, private domestic investment outlets could not absorb the savings available for investment.

Investment demand was sluggish mainly because the oligopolistic structure of the economy blocked many profitable investment opportunities. Barriers to entry limited investment in the already oligopolized industries. The absence of price competition in the oligopoly sector protected higher-cost firms and produced excess capacity, discouraging further investment. The large monopolies successfully used their political influence to block government investment-generating policies that would have interfered with their own vested interests.

Thus the rationalization of industry was thwarted. For example, while the steel industry was reorganized and modernized directly through the state in Japan and in parts of Western Europe, the U.S. steel industry would have balked at such interference. The Japanese reorganized a competitive shipbuilding industry, while the U.S. shipbuilding industry was oriented to military production. The leader in many world markets, U.S. capitalists did not want an active government to restructure industry. This opposition of large corporate capital to using the state to generate non-military investment contrasts with the post-war attitude and behavior of European and Japanese capital.

It is politically much easier, therefore, for the government to turn to military spending to stimulate demand. The Second World War demonstrated clearly the unity of interests among capitalists that military spending generated. Social expenditures produced only disunity among different sectors of capital and opened access to the state to other groups.

What, then, are the present prospects for reducing military spending in the U.S. economy? The world capitalist system is caught in a worsening trade-off between inflation and stagnation. And the United States is experiencing increasing competition from its capitalist rivals. In this conjuncture, the probabilities of a return to military Keynesianism have to be judged as high. The economy will certainly require some additional stimulus from the federal government to recover from the simultaneous cyclical recession and the end of a long wave of expansion.

What sort of stimulative measures are likely to be used? The prospects for government-initiated, large-scale, domestic-re-

form programs of New Deal proportions are not good. Given the continued hostile attitude of big business to state planning, the pressures to use military spending as a tried and tested economic stimulus will grow. Perhaps some international incident or tension will be drummed up for the occasion. The leaders of the United States have their hands full with a series of international problems — energy, rising nationalism in the Third World, prospects of additional raw materials cartels, the re-making of the international monetary system, the balance of power in the Middle East, etc. A combination of domestic and international factors led to military-led growth in the past. They may very likely do so again.

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CORRESPONDENCE

WORKER-SOLDIERS

By a National Guardsman

I am a socialist and an NCO in the National Guard. As a socialist I'm committed to the destruction of capitalism; as a National Guard I'm part of the tool of repression controlled by the capitalist class to prevent such destruction. On the surface this would seem a contradiction, but it is a contradiction resolved, in that it can be viewed as a rational method of denying the capitalist his most potent method of repression.

The composition of the National Guard (and reserves) is overwhelmingly composed of members of the working class, as are the regular armed forces. The major difference between the NG and regular soldiers is that National Guardsmen (and women) are actively members of the working class. The NGs fulfill their military duties on weekends, after work, and on two-week summer training periods, usually during their vacation time from work. NGs are essentially workers (or unemployed workers) who are forced to supplement regular income by giving up deserved time off from work. An NG's work income is well below the national average. Income would have to be very low for one to be enticed to give up family time on weekends and vacations for \$800 to \$1,000 extra per year. To be sure, there are a very few "suits," or board-of-director types in the NG. Any of these types that happen to be in the NG are usually "honorary" members and in the officer corps.

Thus, for the capitalist ruling class the NG means a cheap method of maintaining military strength: NG units need less time and expense to activate (as regular army) than do raw

recruits. In recent years the added bonus of the recruitment of Vietnam veterans, driven by low or no pay, has added to the military worth of the NGs in the eyes of the generals.

Until recently the NG had been trained and used as the ultimate element of internal repression, putting down ghetto riots and student rebellions. With internal dissent at a low ebb, training has turned international. NG units are instructed and drilled in the combat methods used by the Israeli army and, to a lesser extent, those used by the South Koreans. This would facilitate integration of U.S. and Israeli combat units and tactics. Additional training in the use of defense against "tactical nuke" weapons has been greatly expanded. The refurbishment of MG matériel and facilities, lost to regular forces during the Vietnam era, is progressing at such a rate that one would be hard put to believe that the country is in a recession. It is easy to see the NG and reserves as a formidable weapon of capitalism. This would be the case if the NG and the regular army consisted only of capitalists and their pawns. But most NGs are only a big hospital bill or a six-month layoff away from the ghettos they once patrolled. They must contend with the daily frustrations of working at mind-deadening jobs with paychecks that never cover the bills of the rising price of food. These men and women are not the isolated regular soldiers who live in the Ronald Reagan world of military posts and bases. They know who pays the taxes and who, because of tax shelters, doesn't; who has the big cars, homes, and big bank accounts, and who doesn't. This frustration and realization is present at every weekend assembly. It is fertile soil for worker-dissent and bottom-line issues. These frustrations are often discussed along with open dissent which the brass must overlook because of falling retention rates and difficulty in recruiting. The NG is more democratic than the regular army, but not by official intent. In times of emergency a PFC's view of how to save a victim of a natural disaster easily overrides an officer's pompous babbling and handbooks. This is also true of political or economic opinions. Officers may say, "What's good for General Motors is good for America," all day long, and the enlisted men will know them for the fools they are.

As a socialist I join with my socialist comrades in the NG, reserves, and regular army, in trying to show our brother and sister soldiers the sickness of capitalism. I also ask that socialist writers take a closer look at the problems and potential of worker-soldiers. For simply to write off the military as a reactionary apparatus of capitalism would be a serious and deadly mistake.

It could mean the difference between a Pinochet-type army of reaction or a Portuguese army of revolution. Presently it is the only trained, armed, experienced, and cohesive mass of workers in the United States, and without its cooperation, its acquiescence, or (if neglected) its defeat, any attempt to rid the United States of capitalism is doomed to failure.

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